

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

INVESTMENT OF RESERVE FUNDS

In order to minimize the amount of contributions, the Board shall invest the reserve funds of the Association in a Reserve Account so as to generate interest revenue that will accrue to the Reserve Account balance. The Association's overall objective with respect to any investment of reserve funds shall be the protection of the principal reserve funds invested and not maximization of returns on the investment. All investments shall be in the name of the Association, shall not be commingled with the Association's general operating account, and unless otherwise approved by a majority of the votes of the membership, shall be FDIC insured or otherwise guaranteed by the United States Government. Investments should take liquidity into consideration, such that funds are available to meet the repair and replacement schedule established by the periodic reserve study undertaken by the Association. The Board will make investment decisions in good faith and in a manner that the Board members believe to be in the best interests of the Association in accordance with the Colorado Revised Nonprofit Corporations Act. The Board may hire an investment counselor to assist in formulating an investment plan. The Board shall review the Reserve Account investment plan at least annually to ensure that the funds are receiving competitive yields, and shall be authorized to make prudent adjustments as needed. All checks drawn on the Reserve Account shall require the signature of no fewer than two officers of the Association or two authorized members of the Board.